GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3885
ANSWERED ON:22.03.2001
LPG SUBSIDY
JAYABEN B. THAKKAR;SUSHILA SAROJ

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the private sector LPG Companies have urged the Government to push through the 1997 policy of phasing out the LPG subsidy so that they can compete with the Public Sector Oil Companies in the domestic market;

(b) if so, the reaction of the Government thereto; and

(c) the details of losses suffered by the Government on account of subsidy on LPG?

Answer

MINISTER OF STATE FOR PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) : Yes, Sir.

(b) & (c): As per the Government resolution of November, 1997 on the details of phased dismantling of the administered pricing mechanism, domestic LPG will be subsidized to the extent of the 15% of import parity price and subsidy will be met from the fiscal budget. No decision has been taken as yet in regard to allowing the private marketers to sell the subsidized domestic LPG.The amount of subsidy based on February, 2001 tariff adjusted import parity refinery gate prices is Rs.152.50 per cylinder on domestic LPG.